8674303/2024/OP SEC-TRB01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APSRTC – Loans - Government Guarantee to Andhra Pradesh State Road Transport Corporation (APSRTC) for availing term Loan of Rs.500.00 Crores from State Bank of India, Commercial Branch, Koti, Hyderabad for procurement of new buses in APSRTC – Accorded – Orders – Issued.

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TRANSPORT, ROADS & BUILDINGS (PTD-II) DEPARTMENT

**G.O.Ms.No.27** **Dated:16.03.2024.**

**Read the following**:-

1. From the Commissioner, PTD, & EO MD, APSRTC, A.P., Vijayawada, Letter No. B&F/F2/409(1)/GG/2023-24-FD, dated 30.01.2024.
2. SBI Sanction Letter No.CBH/ADV/2023-24/RM-III, dated 25.01.2024.

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ORDER:-

**1)** In the letter 1st read above, the Commissioner, PTD & EO MD, APSRTC, A.P., Vijayawada has requested the Government to provide Government Guarantee to APSRTC to avail Rs. 500.00 Crores term loan from State Bank of India, Commercial Branch, Koti, Hyderabad for procurement of 1500 new buses, for which the State Bank of India has communicated the sanction vide reference 2nd read above, with the following terms & conditions:-

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|---|---|---|
| **Sanctioned Loan Amount** | : | Rs. 500.00 Crores |
| **Purpose** | : | Purchase of 1500 new buses at the estimated cost of Rs.677.33 Crores. |
| **Security** | : | i. Primary:- Exclusive on the buses to be purchased out of the Bank Finance.<br>ii. Collateral :- Nil<br>iii. Guarantee of the Government of Andhra Pradesh |
| **Repayment Schedule** | : | 28 Quarterly installments start from 31.03.2025 and ends by 31.12.2031. |

| | | |
|---|---|---|
| **Interest Rate** | : | 0.55% over 6 Month MCLR present effective rate being 9.10% p.a. (the exact rate of interest will be applicable based on the prevailing Bank's 6 Month MCLR on the date of disbursement of loan) |
| **Validity of the sanction** | : | The sanctioned term loan is valid up to 19.07.2024, i.e.6 months from date of sanction. The required documentation be completed and first disbursement may be availed by this date. |
| **Debt Service Reserve Account (DSRA)** | : | The Corporation has to deposit an amount equivalent to 1 installment + estimated interest before disbursement. The amount will be held in the form of Term Deposit. |

**2)** Government after careful examination of the matter, hereby extend the Government Guarantee to the AP State Road Transport Corporation (APSRTC) for the loan amount of Rs 500.00 Crores from the State Bank of India (SBI) for procurement of new buses in APSRTC, subject to the following conditions:

**(a)** The servicing of the loan contracted shall be made by the APSRTC, strictly from their internal resources, & without any recourse to Government/budgetary support, neither now nor in the future.

**(b)** The 1st charge upon the resources of the APSRTC shall be for the servicing of the loan amount.

**(c)** The APSRTC shall put in place a robust mechanism to ensure that sufficient amounts are always maintained to service the loan (both principal & interest) from their internal resources to avoid the contingency of requiring budgetary support for loan servicing.

**(d)** The APSRTC shall plan the drawal of loans, only to the extent of having clear visibility of their internal resources & ability to repay the loans, as per the terms and conditions of SBI, without dependence upon Government / budgetary support for the loan servicing.

**(e)** The Commissioner, PTD and Ex- Officio MD, APSRTC, shall personally monitor and implement the smooth operation of the above arrangement.

**3)** The Commissioner, Public Transport Department and Ex-Officio Managing Director, APSRTC, Vijayawada shall take further necessary action in the matter accordingly.

4) This order is issued with the concurrence of Finance (C&DM) Department vide their U O Note No. FIN01-BUGT0MISC/28/2021-CDM, (C. No: 1559053), dated 14.03.2024.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PRADYUMNA P S
SECRETARY TO GOVERNMENT

To
The Commissioner, Public Transport Department & EO Managing Director,
APSRTC, A.P., Vijayawada.

Copy to:-
The Finance (C&DM)Department.
The G A (Cabinet) Department.
The Principal Accountant General, A.P., Vijayawada.
The Director of Treasuries and Accounts, AP, Mangalagiri.
The Pay and Accounts Officer, AP, Mangalagiri.
PS to Secretary to CM.
PS to M (Transport).
PS to Chief Secretary to Government.
P.S. to Secretary to Government.
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER